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General Assembly

FORTY-FIFTH SESSION

Official Records

SECOND COMMITTEE
5th meeting
held on
Tuesday, 9 October 1990
at 4.30 p.m.
New York

SUMMARY RECORD OF THE 5th MEETING

Chairman: Mr. PAPADATOS (Greece)

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GENERAL DEBATE (continued)

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The meeting was called to order at 4.45 p.m.

GENERAL DEBATE (continued)

1. Mr. MALONE (Canada) said that dramatic improvements in East-West relations and the corresponding reduction in international tension had been accompanied by a heartening move in many parts of the world towards democratic Governments, values and institutions. Those political achievements had been accompanied by progress in the economic sphere, particularly in the growing recognition of the need for continuing adjustment in national economies. A consensus on appropriate economic policies for developed and developing countries was emerging, and the need to prevent population growth from impeding economic growth had been recognized. There was also increasing awareness of the need to redirect resources to anti-poverty and environmental programmes. Women's positive contribution to development was increasingly understood. All those concerns had been reflected in the declarations adopted at the eighteenth special session of the General Assembly, the Second United Nations Conference on the Least Developed Countries and the World Summit for Children, and in the international development strategy for the 1990s.

2. During the current session, his delegation would focus on preparations for the United Nations Conference on Environment and Development, climate change, driftnet fishing and other environmental issues. His delegation also intended to stress the need for continued adjustment in national economies, the need for appropriate measures to attract domestic and foreign investment and the positive role of entrepreneurship. In addition, it was important that the General Assembly should implement the reforms of United Nations operational activities adopted the previous year.

3. The development of human potential, the value of democratic, broad-based development and the reduction of poverty and hunger continued to be priority issues for his delegation, for, as the Canadian Secretary of State for External Affairs had pointed out to the General Assembly, "democracy and development go hand in hand". In adopting its resolutions, the Committee should take full cognizance of the ascendance of democracy and liberty in the political and economic spheres throughout the world.

4. Mr. AMAZIANE (Morocco) noted several structural changes which had radically altered the nature of international relations, with implications for international co-operation. In the political sphere, the East-West conflict had grown increasingly irrelevant, while numerous wars in developing countries had wasted human and financial resources that could have been used for development. Political pluralism and the move towards democracy had become incontrovertible facts of life in Eastern Europe and the countries of the South.

5. Developments in computer science had improved the generation, dissemination and utilization of scientific and technological information, but the cost of research had increased, posing a major problem for developing countries which needed such information for development. In the economic sphere, major changes had

(Mr. Amaziane, Morocco)

been wrought in the distribution of international wealth. Western Europe, including a unified Germany, was headed towards economic and monetary union, while the Soviet Union and the countries of Eastern Europe were abandoning central planning and endeavouring to integrate their economies in the world economy. The developing countries, however, fell increasingly outside the mainstream, accounting for only a negligible share of world trade. Whereas excessive production and consumption posed ever greater threats to the ecosystems of the industrialized countries, the environmental threats in the developing world came from population growth and poverty.

6. Most developing countries were in a worse position at the end of the 1980s than they had been during the 1960s and 1970s, a situation caused as much by international factors as by poor national policies. The number of the world's poor had increased, accounting for more than one fifth of the entire global population. The external debt of developing countries, originally considered to be a liquidity problem, remained a major obstacle to resumed growth and development. The structural adjustment programmes undertaken by those countries had resulted in a smaller share of GDP being allocated for investment, particularly for social infrastructure. The collapse of commodity prices and rising protectionism characterized the deteriorating terms of trade of developing countries, and prevented them from benefiting from their comparative advantages in such areas as textiles and manufactured goods.

7. With the relaxing of ideological and political tensions, international solidarity could be strengthened to solve the serious problems afflicting most of the world's people. The problem of external debt, the responsibility of debtors and creditors alike, called for the outright cancellation of some debts and significant reductions in others, and for the granting of new resources to stimulate new investment and bring about a return to solvency. The developed countries must take a flexible approach in formulating innovative solutions, such as the creation of a mechanism within international financial institutions for debt restructuring and reduction. The mechanism's objectives should be precise, given the amounts of resources involved, and should be accompanied by an implementation schedule acceptable to both debtors and creditors. The Secretary-General was to be commended for his unceasing efforts in that area.

8. All countries should meet the prescribed targets for official development assistance (ODA) by allocating a portion of their "peace dividend" to development activities. Donor countries should consider increasing ODA as an international obligation that could not be made subject to domestic budgetary considerations. International financial institutions should be provided with adequate financial resources to enable them to support the international debt-reduction strategy and meet the financing needs of developing countries. Efforts should also be made to halt the deterioration in the international trading system and the trend towards bilateralism and protectionism by means of strict compliance with the rules and principles of the General Agreement on Tariffs and Trade (GATT). Negotiations under the Uruguay Round should accommodate the development needs of developing countries, particularly their need to develop their own capacities in areas of strategic importance.

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(Mr. Amaziane, Morocco)

9. As the major source of pollution in the world, the developed countries should take urgent measures to halt environmental deterioration and help developing countries by providing new and additional funding and transferring ecologically sound technologies.

10. Given the interdependence of internal and external factors and the susceptibility of national economies to external influences, the developed countries must acknowledge the impact of their economic policies on the economies of other countries and agree to the involvement of representatives from developing countries in arrangements for the co-ordination of their macro-economic policies so that the latter might make their legitimate concerns known.

11. The hope generated by the relaxation of international tensions had been clouded by the recent crisis in the Gulf, which not only threatened international peace and security but had engendered an atmosphere of uncertainty which adversely affected the world economy. The international community should take urgent measures to assist oil-importing developing countries, and the international solidarity which had been mustered in support of international law should be carried over to the economic sphere.

12. If the United Nations was to become a bulwark against chaos in international political and economic relations, it must be given financial and administrative authority commensurate with the tasks entrusted to it. Accordingly, it was of vital importance that Member States should meet their financial obligations on time and in full and that the development co-operation bodies of the Organization should be able to provide experts and consultants with competitive financial remuneration in order to attract the best talent available. Finally, the work of the Economic and Social Council must be revitalized through the holding of high-level meetings on major policy issues and through enhanced technical expertise.

13. Mr. PIRIZ BALLON (Uruguay) welcomed the promising prospects in the international political arena, but noted with regret the absence of any parallel to these auspicious trends in the economic and social field. Unfortunately, the growing economic and financial imbalances between the developed and other countries, the insurmountable problems caused by external debt, the rise in protectionism, the adverse impacts of technological progress and the net transfer of financial resources from developing to developed countries seriously threatened international coexistence.

14. Recent political and economic developments suggested that the world was moving not towards a system of open international trade, but towards a system which favoured the most powerful countries, to the detriment of multilateral mechanisms. Latin America had made significant progress towards democratization during the 1980s, and many of its countries were working for regional economic integration. Efforts were also being made to orient Latin American production towards greater participation in the world economy. However, all those efforts required a favourable international economic environment. Accordingly, the first task facing the international community was the formulation of concrete norms in the area of

(Mr. Piriz Ballon, Uruguay)

international trade that would facilitate the broad participation of developing countries without hampering their efforts to achieve economic growth. Protectionist practices were a major distorting factor which had disastrous effects for many countries. Moreover, major delays were occurring in the Uruguay Round discussions of many key issues.

15. Without a comprehensive agreement regarding agriculture, the Uruguay Round would fail to achieve the objectives set out in the Punta del Este declaration. The enormous subsidies certain developed countries devoted to their uncompetitive agricultural sectors posed a threat to the development of countries like his own. The external debt crisis was another problem which must be dealt with seriously if the problems of underdevelopment were to be solved. It was obvious that responsibility for a solution lay with creditors and debtors alike and that a reduction of debt and debt-servicing must be effected, with the capacity of individual countries to pay taken into account. The problem of external debt went beyond the economic domain to the political and social spheres, affecting stability and security.

16. Attention must be drawn to the growing transfer of financial resources from the developing to the developed world. Only when the international financial community and creditor banks realized that the developing world could not continue to make such transfers and acted accordingly could the economic reactivation of debtor countries be contemplated.

17. With regard to the possibilities offered by science and technology, it was impossible to conceive of any international economic effort, no matter how limited, if it deprived developing countries of the fundamental achievements and utilizations of science and technology.

18. Environmental problems must be tackled with a full awareness of their seriousness. In that connection, the inseparability of environmental concerns from development problems had to be acknowledged, as did the fact that the restoration of the ecological equilibrium and the provision of "clean" technologies must be undertaken by individual countries to the degree that they were responsible for environmental degradation.

19. The conflict in the Persian Gulf region affected the entire international community, and it was appropriate to note that oil-importing countries like his own had been subjected to an abrupt and highly unfavourable shift in their economic prospects.

20. Finally, it should be recalled that economic problems had serious social ramifications. Economic growth must not be viewed as an end in itself, but rather as a means to the spiritual ennoblement and physical enhancement of human beings. Health, employment, housing, adequate income, education and the equitable distribution of resources were serious problems throughout much of the developing world. Economic growth could not take place without simultaneous development of human resources. In many cases, the situations generated by economic decline had

(Mr. Piriz Ballon, Uruguay)

led to the implementation of so-called adjustment policies which, despite the intent of the Governments concerned, had worsened the plight of the most economically vulnerable. The problems of children were particularly acute, as demonstrated by the fact that more heads of Government had met at the United Nations during the recent World Summit for Children than at any previous time in the Organization's history.

21. The current pronounced imbalance in the world economy had caused it to be given priority attention in decision-making centres. He therefore suggested that the international financial community should give attention to micro-economic, regional and sectoral, and not only macro-economic, problems in order to help alleviate some of the worst social consequences of the decisions taken, for international economic policies were inextricably linked with opportunities for social improvement and both were necessary for peaceful coexistence in the world.

22. Mr. MUCHANGA (Zambia) said that most developing countries, especially the weak, vulnerable and marginalized among them, were experiencing difficulties as a result of the current energy crisis, and their economies were threatened by the spectre of global recession. Zambia had had to raise the price of gasoline by no less than 110 per cent; that measure had put great strain on its structural adjustment programme.

23. Against the background of new challenges and old problems, the international community had many opportunities to make innovations and consolidate multilateral co-operation. Member States, in particular the industrialized countries, should take advantage of the opportunities offered by the improved international political climate, the Declaration of the special session of the General Assembly devoted to international economic co-operation, and the growing spirit of international economic liberalism. In the pursuit of international development, increased attention should be paid to the physical environment, since a sound environment would ensure the continued existence of mankind.

24. Developing countries bore the primary responsibility for the development of their economies. The age of the "free ride" in international development was over, and developing countries had to establish the proper legal, social, political and economic rules and procedures which would promote macro-economic discipline, savings, investment, high employment, progressive income distribution and productivity. Human rights and democracy were being increasingly perceived as important contributors to rapid socio-economic development, and they should be promoted and protected everywhere.

25. There were enormous possibilities for developing countries to strengthen their internal economic forces, develop their productive and trade sectors and, in the process, promote increased consumer spending and domestic development. For many developing countries which were not yet competitive in the international arena, economic co-operation and integration with other developing countries offered an important stepping-stone into the wider world market. The Global System of Trade Preferences negotiated among developing countries, bilateral payment arrangements

(Mr. Muchanga, Zambia)

between developing countries and regionally based preferential trading arrangements were positive developments and should be enhanced in order to attain the ultimate goal of sustainable economic development. Beyond national and regional efforts, the pressures for rapid economic development in the developing countries obliged them to enter the wider world market for technology and additional trading opportunities.

26. At the first session of the Preparatory Committee for the United Nations Conference on Environment and Development, recently held at Nairobi, the German delegation had introduced the concept of "world-wide sharing", entailing the introduction and implementation of medium- and long-term structural policies for various sectors of trade and industry which would have to be addressed at the international level. Zambia welcomed that bold proposal and hoped that the political will demonstrated by the German Government would be matched by other industrialized countries. If structural adjustment programmes in developing countries were not complemented by structural adjustments in the international economy, they would be little more than one-sided austerity programmes and would have an adverse effect on the political and social structures of developing countries.

27. In 1987, the countries of southern Africa which made up the Southern African Development Co-ordination Conference had negotiated a co-operative arrangement with their Nordic counterparts. Under that arrangement, financial and institutional mechanisms for fostering increased business activity and intra-regional trade in the southern African region, as well as increased trade and investment flows between the Nordic and southern African regions, had been established. That was a noteworthy example of productive North-South dialogue.

28. The international community must make a strong political commitment to resolve the protracted debt crisis of developing countries. In the interest of justice, social and economic development, peace and stability, the debt crisis should not continue into the next decade.

29. The war and conflict which had engulfed southern Africa were slowly being replaced by prospects of a new constitutional order in South Africa in which political participation would no longer be the exclusive privilege of one race. The eradication of apartheid would bring about regional stability, security, peace and a better climate for development. However, it was important to bear in mind that, despite the new and positive turn of political and military events in southern Africa, the effects of apartheid's "destructive engagement" would have repercussions on the region's efforts to rehabilitate itself.

30. Mr. COLE (Nigeria) said that his delegation welcomed the integration of Eastern and Central Europe into the mainstream of market-economy countries. In that regard, Nigeria welcomed the assurances given by the industrialized countries that they would adopt an even-handed approach in channelling aid to third world countries and Central Europe.

(Mr. Cole, Nigeria)

31. Many countries, particularly those in the economically embattled South, faced the enduring problems of external debt, economic underdevelopment, environmental degradation and trade barriers. The external debt burden, which weakened the economies of heavily indebted middle-income and least developed countries, could no longer be underestimated. In order to solve the problems which the debt crisis had inflicted on the fragile economies of the countries of the South, Nigeria proposed that a target date for substantially reducing and eventually eliminating all forms of external debt should be established as a matter of expediency. Further, the level of direct foreign investment in heavily indebted countries should be upgraded in order to promote economic development and growth, and the current low commodity prices should be reviewed in order to encourage producers and boost foreign exchange earnings. Creditors should show a greater degree of flexibility with respect to external debt and should consider cancelling debts or converting them into grants. The debt crisis was a global issue, and there was an urgent need to convene an international conference in order to seek solutions to the crisis.

32. Environmental degradation caused by the negative effects of scientific and technological development threatened life-sustaining ecosystems and posed a danger to the health and well-being of mankind. Global action must be taken to deal with such environmental issues as deforestation, desertification, protection of the ozone layer and the more rational use of land and water resources and energy. Because of their low levels of technological development, developing countries were ill-equipped to deal effectively with the complex problems of environmental abuse. Consequently, the developed countries bore the special responsibility of promoting environmentally sound policies which would contribute to sustainable development.

33. International development co-operation for environmental protection should be a central task for the 1990s. Development co-operation must be based on respect for nationally determined goals and priorities. Countries should not be expected to accept development assistance on terms which were detrimental to their national development.

34. All countries should adopt effective standards for the disposal of toxic wastes within their own borders. Rigorous standards for the transboundary movement of toxic wastes should also be observed. Under no circumstances should toxic and hazardous wastes be sent to countries which lacked the technological means for their safe disposal.

35. His delegation looked forward to the successful completion of the Uruguay Round of multilateral trade negotiations. Agreement there would open up new trade opportunities for all. However, as long as commodity prices remained depressed, the prospects for the reactivation of economic growth and development would be bleak. Nigeria called upon the international community to show the political will needed to solve global economic problems.

36. Nigeria fully supported the Declaration of the Second United Nations Conference on the Least Developed Countries. More effective South-South co-operation was needed in the areas of exchange of technology, experts and ideas

(Mr. Cole, Nigeria)

and the development of human resources. In a modest way, Nigeria was already assisting some developing countries with trained manpower for the purpose of enhancing South-South co-operation.

37. An issue of crucial importance to his delegation was the United Nations Programme of Action for African Economic Recovery and Development. Nigeria called for a progress report on the implementation of the Programme, which would end in December 1990. The report should contain details regarding living standards, human resources development, increased flows of official development assistance and increased direct foreign investment in Africa.

38. His delegation believed that a new partnership in international economic co-operation was required, especially between North and South. Nigeria considered the Declaration of the special session of the General Assembly devoted to international economic co-operation as an important milestone in the search for economic justice and called for the immediate implementation of the programme outlined in it.

39. Mr. MAYCOCK (Barbados) said that the Second Committee should continue to assess the repercussions of the changes in Central and Eastern Europe on the global economy. So far, only the short-term consequences of those developments had been considered; the long-term possibilities were less clear. The international community should look for ways of maintaining its commitment to the development of the developing countries while responding to emerging needs in Europe. Attention should be focused on creating links between the new democracies and the countries of the developing world. The new-found economic freedom of Central and Eastern European countries must be internationalized rather than limited to narrow co-operation among the States of the North, and opportunities for trade and investment with developing countries must be pursued.

40. The planned creation of the single European market after 1992 could bring about far-reaching changes in international economic relations. While the full implications of that process were still unclear, it was evident that, if developing countries were to make the best of the opportunities available to them, they would have to improve their competitiveness and efficiency. That would require a significant increase in investment in their productive sectors.

41. One of the chief obstacles preventing developing countries from realizing their full potential was the limited availability of financing. The economic recovery and development of post-war Western Europe and Japan was a lesson in the critical role of external financing. Clearly, any solutions to the debt problem were doomed to failure if they did not include measures to promote fresh flows of financing to developing countries.

42. The impact of the recent events in the Middle East had given rise to the possibility of oil shortages. Already, higher oil prices had made it necessary to reassess the prospects for development. In addition, the headlong rush towards the creation and dispersal of increasingly lethal weapons, which seemed to have been

(Mr. Maycock, Barbados)

checked by the end of the cold war, was in danger of being renewed. By most accounts, the prospects for a significant diversion of resources from military spending to development were slim.

43. The events in the Middle East provided an important lesson on planning for the global economy. The impact of the current crisis on energy prices would perhaps have been significantly less severe if measures to develop alternate, cleaner and renewable sources of energy had been consistently maintained. Unfortunately, the euphoria caused by the decline in oil prices, especially in the latter half of the 1980s, had been accompanied by reduced emphasis on such policies.

44. The United Nations should adopt an action programme for human resources development which would encompass the key elements of funding, as well as innovative ways of bringing education and training to the peoples of the developing world. Such methods should reflect advances in telecommunications, especially the use of the latest satellite technology. Barbados was convinced that the success of human efforts towards more environmentally sound and sustained development would depend on the extent to which the peoples of the world were involved in that process. The negotiations in the Preparatory Committee for the United Nations Conference on Environment and Development had revealed the extent and complexity of the problems to be tackled and the far-reaching nature of the adaptations which appeared necessary. Given the commitment to democratic processes, it was difficult to imagine how such adaptations could be made without the full involvement of broad population groups. In that context, non-governmental organizations could play a significant role in supporting action taken by Governments. Issues of climate change would require the commitment of all nations, and negotiations on the subject should be open to participation by all States.

45. Threats to the environment and sustained development took many forms and must be addressed with equal decisiveness. The action which a number of countries had taken in compliance with General Assembly resolution 44/225 on large-scale pelagic driftnet fishing was to be commended. However, Barbados was concerned at reports of the presence in the Caribbean of vessels bearing driftnet equipment. Unless driftnet fishing was completely banned, no region would be safe from its destructive effects, and the consequences for small States which were dependent on the seas for their very existence would be particularly disastrous.

46. Mr. SEZAKI (Japan) said that, in view of the dark shadow cast over the prospects for world economic development by Iraq's brutal invasion of Kuwait, the need for strengthened international co-operation for development was now greater than ever, and the Committee had a vital role to play in promoting it.

47. The promotion of development in developing countries was the most important challenge of the 1990s. While each country bore the primary responsibility for its own growth, and national programmes should accordingly aim at sustainable development with emphasis on poverty alleviation and human resources development, that did not diminish the need for financial and technical support from developed countries and relevant international organizations. The support being extended to

(Mr. Sezaki, Japan)

Eastern and Central Europe in making the transition to market-oriented economies should not affect the high priority given to development co-operation with developing countries.

48. Of particular importance in that respect was the strengthening of an open multilateral trade system, and the most urgent task in that context was the successful conclusion of the Uruguay Round, to stem the tide of protectionism and restructure the international trading order for the coming century.

49. As the world's largest official development assistance (ODA) donor, Japan intended to increase its ODA systematically in accordance with its fourth medium-term target, which called for the disbursement of at least $US 50 billion over the period from 1988 to 1992.

50. The United Nations system played an important role in assessing aid efficiency and promoting aid policy dialogue between donor and recipient countries. It was to be hoped that the Committee would be able to devise a concrete framework for stengthening the related activities.

51. The situation of the least developed countries of sub-Saharan Africa and elsewhere needed special consideration. Many of them had been hit by falling commodity prices, lower growth rates, trade deficits and burgeoning debt. High population growth, food shortages, lack of appropriate human resources and inadequate infrastructures had impeded their economic growth. It was urgent that they should pursue sound policies leading to economic help and stability, but at the same time international support was needed in the form of trade measures, debt relief and ODA. The United Nations Conference on the Least Developed Countries had drawn the attention of the world to their desperate situation. With its goal of 0.15 per cent of GNP in aid to least developed countries, Japan intended to continue to expand its assistance to them.

52. Debt remained one of the developing countries' major problems. International support would not meet with success unless the developing countries themselves endeavoured to reconstruct their economies through structural adjustments. It was encouraging, however, that substantial progress had been made in implementing the strengthened debt strategy. New money was needed to finance development efforts, and in consequence Japan was vigorously carrying out its capital recycling scheme, which called for it to recycle more than $US 65 billion during the five years up to 1992.

53. Initiatives in accordance with resolution 165 (1978) of the Trade and Development Board and application of the Toronto scheme had helped alleviate the debt burden of the poorest countries in sub-Saharan Africa and elsewhere. In addition to taking debt relief measures, Japan was providing non-project-type grant assistance of $600 million for the three-year period starting in 1990. The decision of the Paris Club on restructuring the debt service obligation of the lower middle-income countries was another major step taken by the international community, and it was gratifying that several African and Latin American countries had already been given special treatment under the new scheme.

(Mr. Sezaki, Japan)

54. The global environment was one of the key international issues of the 1990s and beyond. While the 1992 United Nations Conference on Environment and Development was intended to cover overall environmental issues, some potential areas of focus were already emerging: conventions on climate change and bio-diversity, some form of document on conservation of forests (on which Japan had proposed an International Charter), an Earth Charter or Declaration, Agenda 21 as the programme of action for the international community, and financial resources and technical transfers.

55. With regard to large-scale driftnet fishing, Japan felt that it was permissible provided that appropriate conservation measures were taken. Various regulations relating to that type of fishing by Japanese nationals had been reinforced. Japan was also attempting to enhance the ongoing collection of data and to expand relevant surveys, some of which were in progress on Japanese research vessels. Furthermore, Japan had decided to suspend driftnet fishing in the South Pacific from the 1990/1991 season, one year earlier than stipulated by the General Assembly.

56. Of the highest importance was the implementation of resolution 44/236, which had launched the International Decade for Natural Disaster Reduction. The Japanese Government had sponsored the conference for the Decade, and hoped that it would serve as a basis and stimulus for further domestic and international activities. Attempts should be made to expedite work within the United Nations for although the Secretariat for the Decade had been established, insufficient progress had otherwise been made.

57. With respect to man-made disasters, the Chernobyl accident posed a challenge which could not be ignored in a world of rapid and dramatic scientific progress. It was to be hoped that international efforts to mitigate the consequences of the accident would be assisted by a planned comprehensive report on related activities currently under way within the United Nations system. Japan, as the only country to have suffered the effects of the atomic bomb, intended to continue to extend assistance to such efforts.

58. The World Summit for Children had provided a unique opportunity for leaders of more than 70 nations to ponder the future and well-being of the world's children. It was to be hoped that the Summit would be followed up by implementation of the Declaration and Plan of Action adopted.

59. It was many years since concern had first been expressed that the United Nations was not fulfilling the economic role provided for in the Charter. Now active again in the political field, the United Nations had not experienced any great change in the effectiveness of its economic activities. There was a need for revitalization and restructuring in that area.

60. Mr. YENEL (Turkey) said that the Committee had a clear idea of the nature of the issues confronting it, and its approach should be geared not so much to the identification of problems as to their solution. The problems of growth, debt, protectionism, interlinkages, interdependence, population increases and environmental concerns were universally ackowledged, and it was time to decide what could be achieved on the economic front. As the East-West - political - gap closed, it was time to cross the North-South - economic - bridge.

61. Important as is was to give a new impetus to understanding the needs of the developing countries, account must also be taken of the basic values and principles embodied in the policies of industrialized countries. The Declaration adopted at the eighteenth special session had broken new ground in that respect, and the international development strategy for the fourth United Nations development decade reflected the same concerns.

62. It was time to take realistic and pragmatic decisions. While the difficulties ahead were not to be underestimated, they should not discourage the Committee if it demonstrated a common determination to overcome them. Even though some issues might be marginal to certain countries, they could be vital to others. It was time to listen to one another, and to show flexibility, understanding and breadth of vision in order to do what was required.

63. Mr. HASSAN (Pakistan) said that the longest post-war period of recovery and growth in the West had failed to produce comparable growth and development in the third world. The developing countries were deprived of much needed resources for their economic growth, and an increase in Official Development Assistance was essential. He urged the developed countries to increase their assistance to reach the agreed target of 0.7 per cent of GNP. The multilateral institutions, too, should increase transfer of resources to the developing countries.

64. Another factor in the slow growth of the developing countries' economies was the dwindling transfer of technology to them. Unless they acquired the appropriate technology, they would continue to act only as producers and exporters of raw materials to western industry. An international code of conduct on the transfer of technology should be drawn up as soon as possible.

65. With the external debt of the developing countries reaching $US 1.3 thousand billion by the end of 1989, interest and repayments were eating into their precious resources. Pakistan stressed the need for tangible relief to those developing countries which had prudently managed their debt in the past but were now finding it difficult to service as a result of imbalances in the external payments situation. Pakistan also urged the World Bank and the IMF to make adjustments in a manner which would not affect the quality of life in poor countries.

66. Free trade was one of the foundations of the developed world's economy, but now the torch-bearers of free trade were the perpetrators of protectionist policies. Protectionism would cause the gap between rich and poor to widen,

(Mr. Hassan, Pakistan)

whereas liberalization would help the developing countries to correct their trade imbalances by exporting more of what they produced.

67. In order to accelerate growth in the developing countries, it was vital to develop their human resources and strengthen their technological capabilities. The enhancement of human potentials through better education, health services, training and so on demanded international attention and co-operation, and the developed countries had an important role to play in that respect. There was a need, too, to control population in the developing countries through effective international co-operation programmes.

68. The developing countries also lacked the technological means to maintain their environment. Environmental issues must be viewed in the context of the overall development process: the developing countries should establish their own priorities in the field of environmental protection, and the developed countries should provide additional resources to the developing countries for environmental issues, though not at the expense of development assistance.

69. The adoption of the Declaration on International Economic Co-operation at the eighteenth special session of the General Assembly was a significant milestone. After a long time, the North and the South had been able to agree on the future economic scenario. The commitments entered into should be implemented speedily and in full.

70. The international development strategy for the fourth United Nations development decade provided a basis for revitalizing economic growth, and would serve as the framework for implementing the Declaration on International Economic Co-operation. The strategy must take into account the priorities and concerns of the developing countries, and its main thrust should be towards eradication of poverty and development of human resources.

71. The beginning of the 1990s had seen the end of the cold war, and that had given rise to hopes of a breathing space for the developing countries. However, the Gulf crisis had cast an ominous shadow on their aspirations. Preliminary estimates reflected that Pakistan alone would sustain losses running into billions of dollars, and other developing countries were in a similar plight. It was Pakistan's hope that the new opportunities available with the breaking down of former ideological barriers would benefit all countries of the world.

The meeting rose at 6.35 p.m.

UNITED NATIONS

General Assembly

FORTY-FIFTH SESSION

Official Records

SECOND COMMITTEE
6th meeting
held on
Wednesday, 10 October 1990
at 10 a.m.
New York

SUMMARY RECORD OF THE 6th MEETING

Chairman: Mr. PAPADATOS (Greece)

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GENERAL DEBATE (continued)

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The meeting was called to order at 10.15 a.m.

GENERAL DEBATE (continued)

1. Mr. ORDONEZ (Philippines) noted that while very positive changes had recently taken place in the world, including, in particular, the end of the cold war, development problems affecting millions of human beings persisted in the South.

2. That was why the role of the United Nations in marshalling the development efforts of the international community needed to be enhanced. The General Assembly had adopted by consensus a declaration on the revitalization of economic growth and development of developing countries at the end of its eighteenth special session on that topic, and another document containing the international development strategy for the fourth United Nations Development Decade had just been adopted. A consensus without strong political will was not, however, enough, and all countries must work together to launch a new era in international developmental relations.

3. At the outset, consideration should be given to the interrelationship between external indebtedness and international trade and investment flows, on the one hand, and, on the other, the achievement, in all countries of durable and environmentally sound development and the enhancement of human resources.

4. In that new era it should be recognized that national policies could not, in and of themselves, ensure a country's prosperity if the international economic environment was unfavourable and hostile.

5. The participants in the eighteenth special session of the General Assembly had committed themselves to co-ordinating their macro-economic policies, taking full account of the interests and concerns of all countries, particularly the developing countries. An effort should therefore be made to increase multilateral surveillance with a view to correcting existing external and budgetary imbalances and promoting non-inflationary sustained growth and reducing real interest rates. The primary need was to solve the problem of the external indebtedness of developing countries once and for all, for debt servicing was depriving them of the resources they needed for their economic and social development.

6. The success of the Uruguay Round of negotiations was imperative for preventing further deterioration of trade relations. Protectionist barriers must be broken down and a system of open and credible multilateral trade built up. Obstacles to the transfer of technology should also be eliminated, especially in view of the importance for all countries of technology in the field of communications and transport.

7. The negative transfer of resources from developing to industrialized countries prevented the developing countries from allocating the resources needed for environmental protection. Debt-for-nature swap arrangements should therefore be increased. As for human resource development programmes, he said they should always take account of the transnationalization of labour flows. Only by meeting the needs to which he had referred could a new era in international developmental relations be launched.

8. Mr. KOSTOV (Bulgaria) noted that unprecedented changes were being seen at the close of the twentieth century, all of them reflecting a growing interdependence among States and a globalization of the problems they faced. The prosperity of mankind would therefore depend on people's ability to work together in solving those problems. The world economy had also changed significantly, and the integration of the Eastern European countries constituted a favourable development in that connection, which was unfortunately offset by the continuing sharp differentiation in the levels of development of different groups of countries.

9. The growing interdependence of States highlighted the importance of the universalization of approaches. The adoption by consensus of the Declaration on International Economic Co-operation at the end of the eighteenth special session of the General Assembly on that question was certainly a felicitous development. Another very important document was Economic and Social Council resolution 1989/85 on the role of the United Nations in the early identification, analysis and monitoring of world economic development.

10. The obstacle posed by the external debt of many developing countries to their own economic and social development and to the world economy in general had been repeatedly reviewed but had not yet been eliminated owing to the absence of a common perspective as to how the problem should be settled.

11. A common approach should also be followed with respect to other problems relating to economic development, including those concerning the establishment of an open multilateral trade system, the stabilization of the international financial system and, in another realm, the economic consequences of the Gulf crisis for certain States, in particular the Eastern European countries, including Bulgaria.

12. The elaboration within the framework of the United Nations of a global strategy for preserving the environment was one of the major objectives of the international community. The United Nations Conference on Environment and Development to be held in 1992 should play an important role in that respect. Bulgaria was taking an active part in the efforts being made in that connection.

13. As for the social aspects of development, he said the new international development strategy should help to improve the standards of living of the world's population.

14. The progress being made by the Eastern European countries towards parliamentary democracy and a market-oriented economy had set new dynamics in motion on the European continent. Bulgaria was fully involved in that process. Free and democratic elections had already been held, and stabilization measures and a concrete programme of economic and critical reforms, including provisions for the privatization of the means of production and distribution, were being implemented.

15. From the point of view of external economic relations, the transition of Bulgaria to a market-oriented economy called for the gradual integration of the country's economy into the world economy. That was why Bulgaria was interested in participating fully in the work of GATT and the international financial

(Mr. Kostov, Bulgaria)

institutions; it was, moreover, already a member of the International Monetary Fund, the World Bank and the European Bank for Reconstruction and Development. The agreement it had recently signed with EEC would create new opportunities for economic co-operation.

16. Bulgaria was in favour of strengthening the role of the United Nations in the streamlining of international economic co-operation and believed that the organization had the programmes and concepts necessary for meeting all the economic and social challenges which might arise in the last decade of the twentieth century.

17. Mr. TURIANSKY (Ukrainian Soviet Socialist Republic) said that at the dawn of the twenty-first century mankind had finally emerged from the cold war era, and ideological confrontation and the division into blocs were giving way to world co-operation, largely owing to events in Eastern Europe and, more particularly, in the Ukrainian SSR.

18. That new situation would enable progress to be made towards the settlement of world economic problems, which, unlike political problems, were still acute. Poverty and a trend towards stagnation and decline persisted, while there was still grave uncertainty regarding the international economic situation.

19. The stagnation, indeed decline, in the standards of living of third world countries was disquieting. Incapable, through lack of resources, of making up for their technological backwardness and of modernizing their economic structures, they had proved unable to close the gap separating them from the industrialized countries. Many external factors had helped to worsen their situation, in particular the instability of world prices of raw materials, the maintenance of protectionist barriers, fluctuations in exchange rates and the burden of external indebtedness.

20. The degradation of the environment and the exhaustion of natural resources also gave cause for concern and were hindering sustainable and environmentally sound socio-economic development.

21. In view of the globalization of socio-economic and environmental problems, it was essential to view the regulation of the international economic system from a new perspective. The Declaration adopted at the conclusion of the eighteenth special session of the General Assembly, devoted to international economic co-operation, offered a good starting point in that States set forth therein the principles of economic co-operation: the need for co-ordination of macro-economic policies reflecting the interests of all, each country being responsible for its economic policy; a reduction in military budgets; the integration of all States in the world economy and the opening up of their economic systems; and the strengthening of the role of the United Nations system in those developments.

22. One of the provisions of the Declaration especially advocated support for the efforts of the countries of Eastern Europe to implement radical economic reforms and to integrate themselves into the world economy. The Ukrainian SSR, which had

(Mr. Turiansky, Ukrainian SSR)

recently affirmed its sovereignty and autonomy in economic terms, was particularly concerned by that issue. Unfortunately the economic reforms recently introduced in a number of areas had still not come to full fruition.

23. What was involved was the transformation of the Republic's economy into a market economy, guaranteeing protection of all types of property, providing the conditions necessary for the establishment of enterprises and creating a new monetary and financial system, which, in turn, would govern how foreign investment could be made in the Republic. Thenceforth the Ukrainian SSR would have an opportunity to freely develop its external economic relations.

24. The transformation of the economy was complicated by the need to allocate major resources to measures to rectify the consequences of the accident at the Chernobyl nuclear power station. In that connection the Ukrainian SSR expressed its profound gratitude to all those States and international organizations which had helped it to attenuate the impact of the catastrophe. The world-wide scope of the tragedy had been recognized in resolution 1990/50, adopted by the Economic and Social Council by consensus at its second regular session of 1990. Adoption of that resolution also bore witness to the positive developments in international relations and the importance of environmental concerns in the new political thinking.

25. The contradictions and conflicts affecting international economic relations were complex issues which it was appropriate for the Second Committee to consider. The Ukrainian SSR, for its part, was willing to co-operate actively in the Committee's work, and trusted that all delegations would endeavour to resolve key economic problems in a spirit of compromise and respect for the legitimate interests of all.

26. Mr. LUNA (Peru) said that the end of the cold war should prompt the international community to take concerted action to solve the major world economic problems, particularly those of the developing countries.

27. For example, the phenomenon of the net transfer of resources from developing to developed countries continued to worsen as a result of debt servicing and the deterioration in the terms of trade. It was important to reverse the phenomenon as soon as possible, since the problem of external indebtedness, the major obstacle to economic recovery, sometimes threatened the political stability of the countries concerned.

28. Faced with that situation, the developing countries were compelled to apply rigorous adjustment policies to adapt to the dynamics of the international economic system and the technological revolution. The international community had a moral and political responsibility to assist those countries in their endeavours. In Latin America, economic and social decline was on occasion so pronounced that the problems of poverty, malnutrition, ill health and illiteracy, among others, actually paralysed government action. Immediate intervention by the international community was of the greatest necessity.

(Mr. Luna, Peru)

29. A further problem had recently come to the fore: the deterioration in the environment. Consumption and production patterns in the developed countries had been one of the major sources of pollution and were spreading to the developing countries. The international community must demonstrate its ability to establish a new development process which would reconcile environmental protection and economic growth. The mandate established with the convening of the United Nations Conference on Environment and Development, particularly with regard to the allocation of additional resources and transfers of environmentally sound technologies, must be respected.

30. The United Nations had come to be an originator of new international agreements. The Declaration adopted at the eighteenth special session of the General Assembly offered a reference framework for the establishment of the new international economic order. The commitments made in that respect should boost growth in the developing countries. Similarly, the recent adoption of the new international development strategy represented an important step in the transformation of the international economic system. Implementation of the provisions of those two instruments would demonstrate the political willingness of the developed countries to honour their commitments.

31. The philosophy of international economic co-operation must be redefined in the current situation. In particular, the real nature of underdevelopment must be assessed on a case-by-case basis and care taken to ensure that every country could decide its own future. Realistic indicators were needed for that. He recalled the danger inherent in all statistics and expressed the wish for a qualitative content to be added to quantitative data. For its part, Peru would undertake to participate actively in negotiations and endeavours undertaken by the Second Committee to meet the challenge of the decade ahead.

32. Mr. JIN Yongjian (China) said that in 1989 world economic growth had continued to slow down. The major developed countries had sustained their economic expansion, but at a noticeably slower rate. The developing countries had suffered from a highly unfavourable external environment. The per capita GDP of the developing countries as a whole was expected to grow by only 2.4 per cent in 1990, the lowest rate for six years. In 1989 alone, the net transfer of financial resources from the developing countries had totalled more than $32 billion. Added to which there had been a deterioration in the terms of trade and a decline in earnings from primary commodities, which had further lowered standards of living and increased poverty among the peoples of the developing countries, and, in some cases, engendered social unrest and political instability.

33. The developing countries were more vulnerable than others to world economic developments and the current crisis in the Gulf had dealt them, directly and indirectly, severe blows. There was an urgent need for measures to compensate them for their losses.

34. The situation of the developing countries was caused mainly by an unfair and unreasonable international economic system. Developments in the world political situation offered the international community an opportunity gradually to bring

(Mr. Jin Yongjian, China)

about a new and just international economic system incorporating the following essential points: (a) priority should always be given to development issues with the aim of strengthening international economic co-operation, accelerating the economic development of the developing countries and promoting balanced, stable and sustained development of the world economy; (b) there should be reform of the international financial, monetary and trade systems with a view to seeking a durable, comprehensive and fair solution to the debt problem by eliminating protectionism, stabilizing commodity prices and increasing financial flows to developing countries; (c) the developing countries must be able to play a broad role in the development of the world economy and in the corresponding decision-making process. International co-ordination of economic policies should take into full consideration the interests of the developing countries; (d) regional and bilateral arrangements among developed countries should benefit rather than prejudice multilateral economic activities and the interests of other parties, and economic and technical co-operation among developing countries should be given full support; (e) the role of the United Nations in international economic co-operation and in decision-making on international economic problems should be strengthened; and, lastly, (f) the sovereign right of each country to decide its own economic and social systems, development models and economic policies must be respected.

35. Turning to some of the main issues before the Second Committee, he noted with regard to the debt problem that in 1989, some progress had been made towards debt reduction. The proposals recently made by a number of creditor countries were welcome. Much, however, remained to be done. It was the joint responsibility of debtor and creditor countries, commercial banks and the international financial institutions to search for a fair, lasting and comprehensive solution to debt problems. There was also the problem of commodities and trade. The international community must take steps to stabilize commodity prices and promote adjustment of the industrial structures of developing countries so as to enable them to diversify their exports and stabilize and increase their export earnings. The developed countries should honour their commitment to ending protectionism and should expand the generalized system of preferences. His delegation hoped that the Uruguay Round would be successful. With regard to the question of the environment it was essential that the relationship between environmental protection and economic growth was properly handled, and that economic development was sustainable and ecologically sound. It was therefore necessary to strengthen economic and technical co-operation in the field of environmental protection, to provide additional resources to the developing countries and to transfer to them, on preferential terms, technologies which were not hazardous to the environment. The developing countries must be able to participate in joint action to protect the environment. His country hoped that the 1992 Conference on Environment and Development would provide guiding principles for international co-operation in that field. Turnihg to the question of the least developed countries, the Second United Nations Conference on the Least Developed Countries had achieved positive results. His delegation hoped that the Programme of Action adopted at the Conference would be effectively implemented during the 1990s. In connection with the question of operational activities for development, it was essential that the principles of

(Mr. Jin Yongjian, China)

universality, neutrality, impartiality and non-reimbursable funding were adhered to. Funding should take into account the sovereignty and wishes of the recipient Governments, which should be allowed a certain flexibility in order to strengthen their capacity for self-reliance.

36. In conclusion, he welcomed the fact that the eighteenth special session of the General Assembly had reached a global consensus on the promotion of international economic co-operation, in particular on the reactivation of economic growth in developing countries. The new International Development Strategy had just been adopted. The two documents should mark a new starting point for international economic co-operation in the 1990s.

37. Mr. PANDAY (Nepal) said that in the 1980s the economies of the developing countries had been characterized by stagnation and decline, while the industrialized countries had continued to enjoy sustained growth. The protectionism practised by those countries had been an obstacle to the developing countries in improving their external trade. High interest rates, the volatility of exchange rates and the debt crisis resulting in a net transfer of resources from the developing countries remained one of the fundamental obstacles to their growth.

38. The dramatic fall in commodity prices, the deterioration in terms of trade, the decline in real prices for non-fuel exports, the debt crisis and the sharp rise in interest rates had forced developing countries to adopt stringent stabilization and adjustment measures which had reduced disposable income and investment. The 1980s had thus been a lost decade for the development of those countries.

39. The special session of the General Assembly devoted to international economic co-operation had provided a much needed forum for an exchange of views between developed and developing countries. The Declaration adopted by the General Assembly on that occasion reflected a new perception of the close relationship between international co-operation and national policy needs. It stressed the need for more detailed commitments in the face of the debt crisis and hyperinflation confronting the developing countries. It appealed to the major industrialized countries to correct their external and fiscal imbalances, to promote non-inflationary growth, to lower their interest rates, to stabilize exchange rates and to make their markets more accessible. In order to cope with the challenges of the 1990s, the developing countries must receive substantial concessional resources. His delegation hoped that the developed countries would implement their undertakings to devote 0.7 per cent of gross national product to official development assistance and 0.15 per cent to the least developed countries. In order to revitalize economic growth in the developing countries, the developed countries and international organizations must work together to help them build up their scientific and technological capabilities, provide them with additional resources and environmentally sound technologies and in create an open multilateral trading system.

40. It was a great pity that the various development strategies and plans of action launched by the international community and the United Nations in previous decades had not been implemented. As a result, the situation in the developing

(Mr. Panday, Nepal)

countries had grown steadily worse, poverty was on the increase, the gap between rich and poor nations was widening, and development efforts in developing countries had proved quite inadequate. Economic growth, which was the prerequisite for any improvement, required substantial resources. For the developing countries, development financing was the core issue. Debt-relief measures must therefore be taken so that they could revitalize their economies. It was estimated that, in order to restore a positive net transfer of resources, net official flows of capital and grants must be increased by at least 15 per cent per year in the first half of the 1990s.

41. The resources of the multilateral financing institutions had been falling behind the growth of the world economy, making them less effective in coping with the rising needs of developing countries. Those resources must be expanded to enable them to take care of development finance, structural adjustment and debt consolidation.

42. The International Development Strategy for the Fourth United Nations Development Decade would contribute greatly to correcting the imbalances in the world economy and to assisting the developing countries in their pursuit of economic growth. However, without the full support of the industrialized countries its goals would remain unattained.

43. The least developed countries had been the hardest hit by the adverse economic environment of the 1980s. Their growth rate had dwindled to 2.3 per cent, resulting in declines in per capita income. Because of the sharp drop in savings, investment had declined by an annual average of 2 per cent during the decade. The share of the least developed countries in world exports had shrunk to 0.3 per cent and donor contributions had amounted to only 0.09 per cent of GNP, as against the earlier agreed figure of 0.15 per cent. Land-locked least developed countries were in an even worse plight. Additional measures must therefore be taken to help them overcome the constraints they faced in various areas.

44. In that context, the Second United Nations Conference on the Least Developed Countries, held recently in Paris, provided a new perspective and a framework for steering the least developed countries towards economic development. Those countries, for their part, were committed to co-operating fully with the United Nations system and the international community in that difficult task.

45. The present relaxed international political climate offered a favourable opportunity for initiating bold, imaginative and practical measures to strengthen international economic co-operation for global development. In an increasingly interdependent world, it was the common responsibility of developed and developing countries alike to forge ahead, in an atmosphere of trust and mutual co-operation, with efforts to free humanity from the bondage of poverty, degradation and deprivation.

46. Mr. NGUYEN QUOC DZUNG (Viet Nam), looking back on the 1980s, observed that the scientific and technological revolution had made an important contribution to the unprecedented level of development of productive forces, offering opportunities but also creating challenges to the socio-economic development of all countries. The internationalization of the world economy had been proceeding daily, bringing about increasing interdependence among economies. Many problems now required international co-operation to solve them. A process of economic restructuring or reform had taken place in almost all countries. The economies of many developing countries had declined steadily and their living standards had deteriorated. For almost all developing countries, the 1980s had been "a lost decade for development".

47. The progressive establishment of economic and trading blocs in various parts of the world had posed serious challenges and difficulties for the economic development of developing countries. It was obvious that without effective measures by the international community, the gap between developing and developed countries would continue to widen rapidly, and the developing countries would be left far behind in backwardness and poverty. To avoid such a disaster, each country should define its development strategy in accordance with its own conditions and circumstances, in order to mobilize its potential while taking advantage of the international division of labour. A favourable international economic environment was indispensable. In terms of morality and of the history of international economic relations, responsibility in that area rested mainly with the developed market-economy countries. Those countries should reform existing world economic, trade and monetary relations, stabilize international monetary and financial markets, settle the external debt problem of the developing countries without discrimination, compensate for the developing countries' loss of export earnings as a result of inequitable exchange rates, transfer technology and immediately resume North-South negotiations.

48. The eighteenth special session of the General Assembly had adopted an important Declaration on International Economic Co-operation. Its effective implementation required not only the political will and commitment of developed as well as developing countries, but also comprehensive measures and mechanisms. In that regard, his delegation hoped that concrete and important decisions would be taken at the forty-fifth session of the General Assembly.

49. Over the past three years, Viet Nam had been engaged in a far-reaching and comprehensive process of economic, political and social renewal, while taking rational measures to preserve stability. It had diversified forms of ownership in order to build a mixed economic system incorporating the State sector, the collective sector, the private sector and the individual sector. The centralized, bureaucratic mechanism based on State subsidies had been abolished and a market mechanism had been applied in combination with planning at the macro-economic level. Priority had been given to investments in the production of food, consumer goods and goods for export. Reforms had been carried out in the price and exchange rate system and in the banking and financial sector. A profound process of renewal was also under way in the political area, so as to create a favourable political and social environment for economic renewal. The peoples' rights were respected. The State belonged to the people and was run by the people for the people.

(Mr. Nguyen Quoc Dzung, Viet Nam)

50. Initial results showed that a turning point had been reached. While in the past Viet Nam had had to import food grains, it was now able to export some rice. Since the promulgation of the Law on Foreign Investment, 180 investment projects amounting to 1.2 billion dollars had been authorized. The people now had confidence that the process of renewal was irreversible. They were fully aware, however, of the difficulties arising from the country's low level of development, serious economic imbalances, poor infrastructure and the continued embargo. Viet Nam was willing to develop relations with all countries, regardless of their socio-political system, on the basis of equality and mutual benefit. It also hoped to receive assistance from the international community.

51. Miss SEALY (Jamaica) said that the consensus reached at the eighteenth special session of the General Assembly was an important first step towards the economic co-operation that the international community must undertake in the process of implementing the agreed commitments and policies. Many developing countries, including Jamaica, were already endeavouring to implement policies to combat inflation, promote domestic savings, achieve favourable conditions for investment, modernize their economies and increase their competitiveness. The success of those policies would, however, depend on the support of the international community in such areas as enlarged market access and a durable and broad solution of the external debt problem. The adoption of the new international development strategy, formulated on the basis of the commitments made by the international community, was another important step forward in the process of international economic co-operation.

52. The transformation taking place in the United Nations, and its growing strength as a forum to fulfil the purposes for which it had been established, could only be applauded. Jamaica hoped that the current session would advance international economic and social co-operation and that such co-operation would be stimulated, rather than set back, by current events, in view of the need to overcome the negative effects of the Gulf crisis, particularly for oil-importing developing countries already staggering under the burden of debt and other problems. The industrialized nations, the international financial institutions and the oil-producing countries must implement without delay an emergency programme for those countries, which the United Nations should co-ordinate. The current crisis illustrated the vulnerability of many developing countries' economies already made fragile by the debt crisis to external shocks. The external debt problem continued to be a major constraint on economic growth and development, and no solution appeared feasible without a substantial reduction in the cost of debt servicing. The problem of indebtedness to the multilateral financial institutions must be addressed, for the burden of debt servicing could be alleviated through greater flexibility without adversely affecting the institutions' high standing.

53. It was becoming increasingly evident that the natural resources and environment necessary to sustainable development were being eroded and had suffered from pollution. The mistakes of countries which had already developed without regard for the environment must be avoided, as continued abuse of the environment threatened to undermine the potential for sustained growth and development for both

(Miss Sealy, Jamaica)

present and future generations. Economic development should be sensistive to environmental concerns. With other members of the Caribbean Community, Jamaica had made a strong commitment to achieving patterns of sustainable development that would permit improvements in living standards while maintaining protection of the ecology. Progress in that area would remain difficult if prevailing economic pressures were not addressed, however. It would be naive to believe that poor families could be prevented from utilizing available environmental resources to provide for their basic survival without offering them alternative sources of livelihood. Indebted developing countries simply did not have the resources to tackle environmental concerns adequately. They required assistance in the form of additional financial resources and safe technologies.

54. The development of human resources was an essential aspect of development because man must be at the centre of all development efforts. Unfortunately, the economic crisis of the 1980s had often been reflected in a decline that cancelled out some of the progress previously achieved. In the 1990s favourable external conditions would have to be established to support strategies in that area. Technical co-operation must also be restructured in order to take fuller advantage of the national potential of the developing countries.

55. The island developing countries had special problems of their own. A plan of action had recently been adopted to solve them with the help of the donor community and Jamaica hoped that the international community would contribute technical, financial and other kinds of assistance.

56. Mr. RAKOTONAIVO (Madagascar) noted with anxiety that the crisis affecting the world economy for more than a decade had not abated and that the problems of the third world remained intact or had even grown worse. The improvement in the world political climate had not been accompanied by an equally positive trend in the economic and social fields. The world had made virtually no progress in removing the growing gap between the poverty of the South and the opulence of the North. A new series of international relations had emerged, but economic recovery was becoming increasingly difficult and complicated. Profound changes were upsetting international structures through the universalization of economic problems, the multipolar development of the world economy and the economic and monetary integration and consolidation observed in a number of regions of the world.

57. Madagascar shared the fear that the relations of force which prevailed in current international economic relations would be perpetuated. It was unacceptable for the obligations arising from the gradual reduction of East-West rivalry to divert the countries of the North from their responsibilities towards developing the countries of the South, which had suffered the most adverse consequences of that confrontation. The rapidity with which substantial financial, economic and technical resources had been placed at the disposal of the countries of Central and Eastern Europe was indeed impressive, but that rapidity was in flagrant contradiction with the delays and lack of progress that characterized the North-South dialogue, unless it reflected a deliberate wish not to recognize the importance of interdependence where relations with the South were concerned. He

(Mr. Rakotonaivo, Madagascar)

recalled in that connection the difficulties encountered in the negotiations on various international development strategies, the Common Fund for Commodities and the United Nations Programme of Action for African Economic Recovery and Development. In respect of the latter, despite the modesty of Africa's legitimate claims, the commitments entered into by the industrialized countries had remained very limited and had not been respected. Nevertheless, real possibilities for co-operation existed when the interests of the large countries that had the power to act were conducive to it.

58. The special ministerial session of the Economic and Social Council scheduled for 1991 would make it possible to bring to light all the implications of the development of East-West relations for the development of the third world and to define the means for achieving common goals. The consensus that had emerged at the conclusion of the eighteenth special session of the General Assembly should pave the way for collective and consistent action and for the implementation of sectoral measures ranging from the liberalization of trade to an increase of development resources and from the protection of the environment to the transfer of technology. The recent meetings in Paris (on the least developed countries) and in Nairobi (on the 1992 Conference on Environment and Development) gave rise to some doubt about the rigorous compliance with commitments undertaken.

59. One could not fail to be concerned about the continued increase in the net transfers or resources from the developing countries to the rest of the world, the fact that public development assistance had not reached half the goal of 0.7 per cent of the gross national product of the developed countries, the decline in real terms of 2 per cent in aid provided by the member countries of the Development Assistance Committee of the OECD, the shrinkage of loans, the constant increase in the total long-term debt and the new 8 per cent reduction in the price of raw materials.

60. The developing countries, assuming their responsibilities, recognized the primary importance of domestic reforms and hence the need to redefine their development model in order to promote the conversion of production structures. The donor countries and international institutions should provide more direct support to those adjustment policies and encourage projects designed to promote enterprises and to make them viable. Those assumptions, however, did not mean accepting development concepts based solely on market forces, which, in the context of current changes, might be reflected in agreements involving market sharing and the voluntary limitation of trade, and primarily exports. The real problem was to reconcile efficiency and justice, productivity and humanity. The principle of adjustment "with a human face" was now universally accepted, but one must recognize the fact that it still had not been applied in a satisfactory manner.

61. The United Nations was the appropriate forum to co-ordinate restructuring efforts and to provide the necessary political impetus to international economic negotiations. For that purpose, serious thought should be given to revitalizing the Economic and Social Council. That could ensure the process of democratization in global economic management and the treatment of development problems in a spirit of justice and fairness.

62. Mr. ZAMORA-RODRIGUEZ (Cuba) said that the Second Committee was meeting in a political climate that was quite different from that of previous years and that the international chessboard had become the site of a very surprising redistribution of the balance of forces. The important changes that had taken place in Eastern Europe, the development of the political motivation of some, accompanied by the triumphalist euphoria of others, and the aggravation of tensions resulting from acts of aggression or invasion such as those suffered by Panama and Kuwait, had profoundly changed the structure of international relations. Still, one could see no positive development in the world economy. The problems of underdevelopment, far from decreasing, continued to grow worse. A wall between East and West had indeed been torn down, but the one that separated North and South was as high as ever. The alleged relaxation of tension that had taken place between the great Powers had not removed the difficulties that characterized the relationship between North and South.

63. The Committee seemed to go along with that triumphalism and had gradually modified its agenda and the very foundations of its political thinking, as if the concepts elaborated at length in the preceding years had lost their validity simply because of the absence of a wish to apply them, or even the presence of a wish to prevent their application. Hence the relegation to the background of such still important problems as inequality of trade, depletion of financing, monetary imbalances, instability of commodity prices, external debt, outflow of resources from the developing countries, manipulation by transnational corporations of transfers of technology, abuses and illegal measures of economic coercion taken by the great Powers against the developing countries, obstacles to the sale of the products of the developing countries, restrictive business practices, discriminatory dumping and technical assistance with political conditions attached. Hence there was no "relaxation of tension" in the area studied by the Committee, and still there existed, regrettably, a strong tendency to ignore those problems as if overlooking the existence of a phenomenon was the best way to escape its consequences.

64. Clearly, Cuba was not opposed to placing emphasis on essential forms of development concerning education, human resources, health, nutrition, housing, equality, justice, the right to work without discrimination, human dignity and the right of every country freely to choose the most appropriate economic and social system. Cuba's pioneering effort in resolving problems relating to children was well known.

65. However, Cuba was deeply concerned at the current tendency to impose upon sovereign States ready-made models whose success remained to be seen and that in any event were not truly respected by those with great industrial riches. Such prescriptions were often based on false hypotheses. For example, it was not certain that market economies afforded optimal flexibility for confronting changes in international economic relations in the third world; it had not been demonstrated that the potential of enterprises, in the context of the market economy, necessarily attracted private capital flows that did not generate debt; and it had not been proven that the free-exchange capitalistic economy was really the way to achieve well-being for humanity. That certainly was not the case for

(Mr. Zamora-Rodriguez, Cuba)

the underdeveloped world, far from it. It was wrong to assert that the external debt and the transfers of resources from Asia, Africa and Latin America to the industrialized countries did not exploit the underdeveloped countries and their workers. It was wrong to imagine that the free play of market forces would naturally resolve the economic and social problems of humanity. It was absurd to overcome the contradiction between efficiency and social justice by opting for efficiency. The Brady plan and the Baker plan would not reduce the external debt, which as everyone knew was no longer recoverable. It was wrong to believe that the international charity organized by the World Bank would really reduce extreme poverty. Lastly, it was wrong to assume that the privatization of nationalized enterprises would allow a situation in which the consumer was supposedly king. The proposed economic model exacerbated the lack of freedom for the majority of humanity, which lived in insecure circumstances. It also aggravated the problems associated with extreme poverty and meant a heightened presence of a terrorist army and police force that were waging war against the poorest inhabitants of the third world.

66. The Committee must consider as a matter of urgency the problem of transforming an unjust system of economic relations, because clearly there would be no development if the poor countries did not adopt viable home-grown and carefully adapted policies based on equality and the development of the human being. Those policies could not be fully successful if they were carried out in a hostile international economic climate. It was therefore imperative to implement the "new international economic order" that some were claiming to bury. The current international system had facilitated the enrichment of some at the price of impoverishment for others. Instead of an improvement, the world had borne witness to the tortuous Uruguay Round, where acquiescence had slowly spread in an international economic order in which the enormous comparative advantages of the developed countries had found growing acceptance and the peripheral status of the underdeveloped countries was perpetuated.

67. The report of the South Commission contained a detailed analysis of that situation. Understanding and implementing the ideas contained in the report would enable positive attitudes to be adopted and generous means to be found for distributing the riches accumulated throughout the world on the eve of the twenty-first century. The United Nations offered the means to work in that direction. The declaration adopted by the General Assembly at its eighteenth special session contained a set of commitments and policies which, although limited, would mean real progress if implemented, and it was to be hoped that the tasks defined in the declaration would in fact be realized.

68. Owing to its already considerable impact on the price of oil and its continued potential for further complications, the Gulf crisis had further aggravated the situation in the developing countries. Despite their gravity, those problems had not yet received a coherent and constructive response on the part of the developed countries, and they were putting to the test the fragile structures of the developing countries as well as the capacity of the United Nations to fulfil the task defined in article 1 of the Charter: "to achieve international co-operation

(Mr. Zamora-Rodriguez, Cuba)

in solving international problems of an economic, social, cultural, or humanitarian character". A group of countries had rightly asked to benefit from the provisions of article 50 of the Charter, and it was therefore necessary to set up flexible mechanisms to resolve not only the problem of the price of oil, but also the commercial, monetary, financial and, above all, humanitarian consequences of the crisis.

69. Mr. MOREIRA (Latin American Economic System (SELA)) said that at a recent meeting, the Latin American Council had considered a number of problems, in particular the external debt of the countries of the region. In that context, the Regional Conference on External Debt, held at Caracas in June 1990, had presented the "Latin American and Caribbean Proposal for a Solution to its External Debt Problem", which had been distributed as an official General Assembly document (A/45/334).

70. Another area in which important results had been achieved was that of regional dialogue and co-ordination within the framework of the Uruguay Round. In that connection, the countries of Latin America and the Caribbean had recently adopted a political declaration that they had submitted to the Committee on Trade Negotiations among Developing Countries and in which they had expressed their concern at the slow pace and imbalances of those talks and at the lack of transparency in certain areas. The talks constituted "a whole", and it was essential to avoid at all costs limited or partial results that would be insufficient and unacceptable for the countries of the region. With regard to services, a consultative meeting held in February 1990 had approved a text on the structure of the multilateral trade framework in that area. Officially presented by 11 countries of the region, the text was important in that it was virtually the first joint proposal submitted by the region to the Uruguay Round. As those talks were to be concluded at the end of 1990, the Latin American Council of SELA had recommended to its secretariat to convene a consultative meeting to conduct a comprehensive, detailed and updated evaluation of the ongoing talks and also a consultative meeting at ministerial level, which was to be held in December 1990 before the Brussels meeting in order to promote regional dialogue and co-ordination on those questions.

71. External economic relations were another area to which the Latin American Council of SELA had given particular attention. In that context, its secretariat had submitted a preliminary study on the Bush initiative concerning the Americas, which had constituted progress in that it showed that the United States intended to reconsider its relations with Latin America and the Caribbean and provided an appropriate framework for starting a dialogue on a new basis. The initiative, which responded to a strategic necessity of the United States, must be the subject of detailed negotiations that took into account the interests and objectives of the countries of the region. The Latin American Council had recommended to its secretariat to give closer consideration to the various elements of the proposal.

(Mr. Moreira)

72. With regard to relations with the European Economic Community, the Latin American Council had approved the institutional co-operation agreement concluded between its permanent secretariat and EEC; in that context, the Ministers participating in the work of the Council had stressed the need to initiate a new dialogue between the European Community and Latin America and the Caribbean, in order to study in depth a clearly defined strategy and take concerted action with regard to the regional positions. The secretariat would be given the task of assessing the effects of the 1992 single European market on Latin America and the Caribbean.

73. With regard to relations with Japan, a consultative meeting on the question was planned for the first half of 1991. It would examine, inter alia, the problems of trade, investment and recycling Japanese financial resources to the region.

74. Turning to regional co-operation, he stressed the high level of interaction between the region's co-operation and integration organizations. A project on the matter, currently being worked on by the secretariat, consisted of making available to Governments, organizations and other interested entities an up-to-date assessment of the state of regional co-operation. Moreover, positive results had been recorded with regard to technical co-operation among developing countries, a field in which the Latin American Economic System was substantially involved, particularly with regard to intellectual property.

75. In conjunction with ECLAC, UNIDO and the Inter-American Development Bank, the System was preparing a regional conference on industrialization policies. SELA had also worked on a co-operation agreement with the United Nations, the draft of which had been approved at the meeting of the Latin American Council, and which would probably be signed before the end of the forty-fifth session of the General Assembly.

76. Mr. O'BRIEN (New Zealand) reminded the Committee that the Uruguay Round negotiations were due to conclude shortly. The process would influence, for better or worse, every facet of the trade and development problems examined by the Committee. It was thus of the utmost importance that the international community should contribute to the success of those negotiations.

77. International trade was the engine of the global economy, and GATT constituted its key mechanism. But the time had come to change the rules of the organization, which were no longer adequate for the requirements of the 1990s. Key areas, such as trade in services and intellectual property rights, were not covered; others, such as agriculture and textiles, were not subject to the full range of GATT rules and disciplines; furthermore, recourse to protectionism and other forms of non-tariff barriers was on the increase.

78. At the current stage, the prospects for a successful outcome to the negotiations were not encouraging. All countries, but particularly the developing countries, would suffer if they failed. Protectionist measures and policies of subsidization, particularly by the United States, Japan and EEC, were impeding

(Mr. O'Brien, New Zealand)

market access by producers who were in the best position to satisfy demand in many areas. The result for the developing countries was chronic indebtedness, low growth rates, expanding poverty, serious social problems and environmental degradation. While the global trading system alone was not solely responsible for the situation, its contribution was nevertheless undeniable.

79. In the last analysis, political will determined multilateral trade negotiations. The three major trade players - the United States, EEC and Japan - would have a decisive influence on the outcome of the Uruguay Round. They must play a role as leaders if GATT was to provide an adequate framework for world trade in the 1990s, and if agriculture and textiles were to be included in the system. An agreement on agriculture was indispensable to the success of the negotiations. However, some of the negotiating positions augured ill in that regard. As an example, he cited the case of EEC, which had submitted a proposal on export subsidization which provided no prospects of enhanced access for imports into the European market.

80. If the Uruguay Round failed, it was probable that the multilateral trading system would fragment and that a series of powerful, competing trading blocs would emerge. There would be no new world order unless the current trade negotiations redressed existing inequalities and facilitated commercial flows, the motor force for growth.

81. It had already been noted, in the context of other negotiations, that transfers of financial resources from indebted developing countries now exceeded those from the donor community to the developing world. But on account of the Gulf crisis, with its damaging repercussions for many countries, and of the needs existing in southern Africa, Cambodia, Eastern Europe and elsewhere, there was already a very heavy call upon the resources of the donor community.

82. If it was impossible for the developing countries to obtain additional resources, then they must be offered new trade opportunities, to enable them to increase their export income. It was also imperative to launch a programme to relieve, or in some cases write off, the debt of the most disadvantaged countries. However, in no case must that absolve the developing countries from the need to adopt structural reforms at the national level with a view to enhancing productivity, competition and the freer play of market forces.

83. New Zealand was both a member of OECD and a major agricultural exporter - two roles which it sometimes had difficulty in reconciling. OECD had not always succeeded in persuading its members to adopt liberal agricultural trade policies. Yet New Zealand had itself taken steps to remove non-tariff barriers from its industrial and agricultural sectors. That had been no easy task, but the Government was convinced that it was in the interests of the country to eliminate economic distortions.

84. Developing countries must be given equitable access to the largest markets. The principle they were being urged to apply at the national level - namely, the

(Mr. O'Brien, New Zealand)

free play of market forces with direct competition between the most efficient producers - must likewise be accepted by those industrialized countries that were sheltering their producers behind the barriers of protectionism.

85. The preparatory process for the 1992 United Nations Conference on Environment and Development was currently under way. There could be no doubt that the link between those two concepts was complex, but the two fundamental problems faced by the world - the rapid degradation of the environment and the chronic underdevelopment of the majority of countries - must be tackled simultaneously, comprehensively and in a way that recognized their interconnections.

86. Developing countries had a right to expect that they would obtain the financial and technological means to advance their development so as to enable them to discard wasteful and polluting technologies. It was also necessary to eliminate the economic distortions which prevented them from exploiting the advantages available to them, such as low labour costs, in order to boost their growth.

87. All those factors underlined the absolute need for the Uruguay Round to succeed, in the interests of all countries.

The meeting rose at 1 p.m.

UNITED NATIONS

General Assembly

FORTY-FIFTH SESSION

Official Records

SECOND COMMITTEE
7th meeting
held on
Wednesday, 10 October 1990
at 3 p.m.
New York

SUMMARY RECORD OF THE 7th MEETING

Chairman: Mr. PAPADATOS (Greece)

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GENERAL DEBATE (continued)

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The meeting was called to order at 4.45 p.m.

GENERAL DEBATE (continued)

1. Mr. DURANI (Djibouti) said that the recent events in the Gulf were not only an unprecedented disaster for the Arab world in general and Kuwait in particular, but also a cause for concern among the developing countries, and more particularly the least developed countries, as to the level of assistance which would be provided to them. For many third world countries, rigid and orthodox adjustment policies had been all the more painful in that deregulation and privatization had been essential for all of them. The least developed countries had seen the value-added portion of their GNP go down. In Africa, population growth of 3 per cent had combined with a severe drought to create major problems. More than half of the countries of Africa were now importing more and more basic products, and in many cases industry had become a net consumer of capital. There were even cases of reversal of industrialization in many economies, and over and above all the other problems, there was the burden of debt.

2. It was to be regretted that, up to date, donors had considered only the symptoms and not the real causes of underdevelopment. However, the underdeveloped countries placed their hopes in the final Declaration and the new Programme of Action from the recent Paris Conference on the Least Developed Countries. While it was true that the programme's success would depend on national policies, a favourable international economic environment and an enhanced spirit of partnership were equally important. That partnership, which everyone favoured in theory, had to become a reality. With regard to the agreed official development assistance (ODA) target for donor countries of 0.15 per cent of GNP, Djibouti recommended that the figure be increased to 0.2 per cent by the end of the decade.

3. In addition to giving effect to the guidelines laid down in the Declaration on International Economic Co-operation, the international community should cancel the debt of the least developed countries and provide ODA in the form of grants, since that was the only way of enabling developing countries to achieve growth without exacerbating the spiral of indebtedness in which they found themselves.

4. Djibouti, a small country, had already suffered from the pressure exerted on its resources by thousands of refugees fleeing the conflicts in the Horn of Africa. The Gulf crisis was one more in a series of setbacks to its already strained budget and the operation of its infrastructure. The increase in the cost of oil and of imported products, as well as other negative results of the crisis, had already cost the country $145 million.

5. While it was true that every country was responsible for its own economic and social policy, it was also clear that the international community had to assume the collective responsibility for promoting growth and well-being, by way of effective co-operation for the benefit of all.

6. Ms. IBRAHIM HASSAN (Egypt) said that the ongoing changes in the international arena were conducive to a restructuring of the world order. Nevertheless, although the world was on the threshold of a new era of international peace and security, the crises engendered by the economic problems of third-world countries were jeopardizing their peaceful development. The success of political détente between East and West could not be ensured in the absence of economic détente between North and South. The revival of constructive and objective North-South dialogue might provide an opportunity to reconcile the requirements of the developed world with those of growth and development in the developing world.

7. The Declaration adopted by consensus at the eighteenth special session of the General Assembly provided a clear indication that the international community understood the gravity of the problems confronting the third world and that it had pledged itself to the reactivation of growth and development. A spirit of constructive co-operation had been reflected in the affirmation of the principle of shared responsibility. The developing countries must pursue effective domestic policies, the developed countries must ensure an appropriate world economic environment, and international organizations must expand their role in promoting development.

8. Egypt's economic reform programme had the basic goals of gradually introducing uniform exchange rates, combating inflation and ensuring the optimum mobilization of domestic savings. Institutional reform and rationalization measures would be implemented with a view to ensuring the proper utilization of available resources, and some public sector enterprises had been privatized.

9. Egypt's efforts were, however, now threatened by the economic difficulties imposed by the Gulf crisis. The loss of remittances from Egyptians in the Gulf would have a direct impact on the country's economy, since they accounted for 47 per cent of its foreign exchange. Foreign exchange earnings would also drop as a result of a falloff in revenues from tourism and from Suez Canal transit fees, thus leading to a further contraction in the Egyptian economy.

10. While the international climate for the solution of economic problems had never been better, the problem of indebtedness persisted and was crippling the development efforts of the developing countries. It was to be doubted whether, seven years after the emergence of the debt problem, the numerous initiatives proposed had brought a solution any closer and whether the efforts and sacrifices made by the developing countries had borne fruit. The crisis remained severe, particularly for the African countries, whose strenuous economic adjustment efforts had been to no avail given that the debt burden had prevented growth and progress. If the situation continued as it was, the prospects for the 1990s were not encouraging. While it was true that the initiatives taken by the creditor countries with a view to mitigating the debt burden had been welcomed by the debtor countries, they were still only half measures and more could be done in that domain.

11. In the short term, the implementation of structural adjustment programmes had clearly had an adverse impact on the poorest classes in the debtor countries. Adjustment must be given a human face if negative consequences for the social, political and human fabric of the debtor countries were to be avoided.

(Ms. Ibrahim Hassan, Egypt)

12. A balance must be struck between the real ability of debtor countries to pay and the requirements of development and the necessary economic growth. It was to be hoped that the report of the Personal Representative of the Secretary-General on Debt would help in the search for workable solutions. The debt problem was part of a more important and more widespread problem, namely the existing imbalance in the international economic order, and it could not be seen in isolation from the deteriorating terms of international trade and the growing protectionist trend in the developed countries. A system of multilateral trade was required that achieved a fair balance between developed and developing countries. In the Uruguay Round of multilateral trade negotiations, problems should be addressed in such a manner as to yield balanced results that did not sacrifice the interests of some States to those of others.

13. Environmental protection had become a new priority in the field of international co-operation both within the United Nations and outside it. The importance of the international community's commitment to the consensus on financial resources and the transfer of technology must be stressed.

14. In addressing issues of international concern, it was possible at times to lose sight of their human content and their moral dimension. Nothing was such an affront to human dignity as the persistent problem of poverty. More than 1 billion people, most of them in Africa, were living in conditions in which hunger, disease and ignorance flourished, and they had no prospect of advancement without constant and adequate support from the international community. It was thus no coincidence that the elimination of poverty and hunger had been included as one of the priority aspects of the development strategy for the fourth United Nations development decade.

15. Mr. BARAC (Romania) said that since the General Assembly's last session, important developments had taken place in the international arena, notably in East-West détente relations and the dramatic changes in Eastern Europe, which though political in themselves, had far-reaching and generally positive implications for the world economic situation. The revolutionary changes in Eastern Europe signalled the end of the entrenched division from which Europe had suffered ever since the Second World War. With the gap between East and West bridged, the world community had a long-awaited opportunity to refocus its attention on the economic, social and environmental agenda.

16. Those changes were also making it possible for the Eastern European countries to participate more constructively in the international scene. The integration of their economies into the global economy would certainly have a positive impact both on those economies themselves and on the development process in a broader sense. As the Secretary-General had pointed out in his report, "the opening of this region to international trade presents a great opportunity for the world economy as a whole".

17. The positive course of events in Europe should be stimulated by regional approaches. For example, Romania had recently suggested the founding of a forum

(Mr. Barac, Romania)

for security and co-operation in the Balkans which could contribute to the strengthening of economic co-operation among countries in that region. It had also proposed a complex project for co-operation among countries along the Danube.

18. The previous year's revolution in Romania had not merely overthrown a dictatorship, but had changed the entire social and political system, resulting in a firm and irreversible commitment to human rights, a democratic political system and a market economy. Romania had carried out a comprehensive set of measures to dismantle the old totalitarian system, and was now pursuing economic and social reform, which was to be concluded by June 1992. Major features of that reform were: freeing-up of economic structures, reorganization of economic activity, price and tariff reform, financial and fiscal reform, reform of the banking system, monetary reform, agricultural reform, the establishment of institutions in support of those various reforms, privatization, actions for economic and social protection of the population, and the creation of the culture and behaviour specific to a market economy.

19. Romania was aware that implementation of these reforms would not be easy, requiring fundamental organizational, economic and managerial changes. It would also involve considerable short-term costs, and a transformation of the entire outlook of the Romanian people. Nevertheless, the Romanian people were firmly committed to democracy and a market economy. Romania would also learn from other countries in the same situation. For example, a meeting had recently been held of the ministers for reform of various Eastern European countries.

20. As Romania's plans to implement a market-oriented policy also required the existence of a favourable international environment, the Gulf crisis was of profound concern both because of the increases in the price of oil and because of the losses the country would sustain in joining the international embargo against Iraq. Implementation of sanctions would cost Romania $US 2.9 billion. Romania would also suffer from the restructuring of relationships within the Council for Mutual Economic Assistance (CMEA) and the transition in 1991 to a convertible currency basis in its transactions with that group.

21. Romania had noted with interest the initial steps announced by some countries as well as the decision of the IMF and the World Bank to support countries which had sufffered the most as a result of the Gulf crisis, and hoped that such financial support would be extended to assist Romania's economic and social reform. Romania also hoped for rapid implementation of economic co-operation with the European Economic Community, leading ultimately to its membership of that group.

22. Mr. SOMAVIA (Chile) said that Chile endorsed the views express by the Chairman of the Group of 77, which reflected the basic guidelines provided by the Ministers for Foreign Affairs at their 14th meeting. During the work of the Committee, Chile would refer to those aspects of particular interest to it, in particular the major opportunities currently open to the United Nations in the field of international development co-operation following the adoption by consensus of the Declaration of the eighteenth special session of the General Assembly.

(Mr. Somavia, Chile)

23. In the present debate, Chile wished to concentrate on just one issue, namely the serious economic and social consequences of the rise in the price of oil arising out of the Iraqi invasion of Kuwait. That situation had to be resolved urgently, by concerted action using market forces to reduce significantly the cost of oil. If that did not happen, very shortly it would be found that in most countries the real Gulf crisis, one felt in the homes and pockets of families throughout the world, would be an increase in inflation and therefore in interest rates, together with a risk of recession in an international economy already showing many signs of uncertainty. As usual, those most affected would be the poorest. The United Nations had an obligation to sound the alarm and organize the political consensus which would allow joint action to be taken in order to safeguard all relevant interests.

24. While the United Nations had reacted highly effectively to the political aspect of the crisis, it had not acted with the same vigour in dealing with its potentially devastating socio-economic consequences. For example, the Economic and Social Council had not yet held an emergency meeting comparable to those of the Security Council.

25. International development co-operation was taking on a new dimension at the present time. The developing countries had expressed their support for the decisions taken by the Security Council: that was particularly significant in the case of those which, like Chile, were neither members of the Security Council nor major oil-producers. That political solidarity must also be reflected on the socio-economic front. The majority of the Latin American countries, as well as most members of the Group of 77 and the Non-aligned Movement, were suffering the consequences of the crisis, which was exacerbating the problems of protectionism, external debt and other issues on the agenda of the Second Committee. If the Committee did not act, the major victims of the Gulf crisis would be the poorest and least protected countries of the third world, and in particular the least developed countries. Such a situation would completely nullify the decisions taken at the Paris Conference.

26. The Gulf crisis could cause a loss of confidence in the world economy, with particularly serious effects on the trade balance of the developing countries. It was also likely to slow growth rates, boost inflation and interest rates, increase the external debt of the oil-importing countries and cause cutbacks in investments and employment with negative effects on their co-operation for development programmes.

27. Chile was convinced that a better synthesis could be achieved between an open market economy, like its own, and genuine social development. Given the political will, economic development was perfectly compatible with social justice and democracy. The Chilean economy had recently shown signs of overheating, necessitating a process of adjustment in order to maintain the country's economic and social stability. The benefits of those adjustments were already being felt.

(Mr. Somavia, Chile)

28. Chile had been profoundly affected by the Gulf crisis, as it imported 85 per cent of its oil requirements. The severe shock of the rise in oil prices, which had affected Chile together with most other countries, would have severe inflationary and fiscal consequences. The resulting rise in transportation costs would add to the damage done to Chile's export potential by the protectionist trends observable in many countries of the North. The adjustment measures which Chile had adopted would, however, help its economy survive the crisis. Concrete steps had been taken, including adjustments to the price of petrol and other energy sources, legislative measures to stabilize the prices of oil-based products, transportation measures to reduce petrol consumption and the implementation of medium and long-term energy policies aimed at seeking economically viable alternatives to oil, to ensure that the Government would meet its long-term development commitments, despite the adverse effects of the current economic situation.

29. Nevertheless, his Government's efforts could only hope to succeed in the context of appropriate, concerted action by the international community to cushion the devastating impact of the Gulf crisis on the developing countries. The developed countries had large strategic oil reserves, some of which could be placed on the market in order to bring down oil prices. Those oil-producing countries, in particular Saudi Arabia, the United Arab Emirates and Venezuela, which had taken steps to increase their oil output were to be commended, and the other oil-producing countries should be persuaded to follow suit. The World Bank and the International Monetary Fund (IMF) should take steps to set up appropriate compensatory finance mechanisms to offset the balance-of-payment problems provoked by the crisis. Consideration should also be given to mechanisms which would benefit oil-producing countries in the event of future crises of a similar nature. Regional development banks should encourage the formation of energy conservation policies and to the search for alternative sources of energy. Finally, regional mechanisms, involving developed and developing countries, should be set up to reduce the negative effects of the crisis.

30. His delegation believed that the General Assembly should adopt an urgent resolution, providing for a package of such measures and any others favoured by the Committee, and should urge national and international organizations to take the necessary practical steps to implement that resolution. The crisis was a world-wide problem, requiring rational and carefully considered solutions which should be reached by consensus.

31. The United Nations had a vital role to play in creating the necessary political awareness that would lead to an effective reduction in oil prices. The solution of that problem was as important as that of the Iraqi invasion of Kuwait, and the Organization's current political efforts should not cause it to neglect its social and economic responsibilities. Chile believed that the end of the cold war had created an opportunity for rapid and concerted action by States and that the Second Committee was capable of meeting the challenges which faced it in that respect.

32. Mr. PIBULSONGGRAM (Thailand) said that the prosperity of every country depended to some extent on international trade and that the increasing stagnation in the world trading system was adversely affecting every individual economy. The 1990 World Economic Survey had revealed a slowing in the growth of the world economy, which it attributed to the decline in commodity prices and growing protectionist measures. The effects had been most severely felt by the developing countries, resulting in production slowdowns, unemployment, stagnation and inflation.

33. In order to revitalize economic growth in the 1990s, the international community must continue its efforts to strengthen the multilateral trading system. The Uruguay Round of multilateral trade negotiations under the General Agreement on Tariffs and Trade (GATT) was the most comprehensive round of trade talks ever held. Thailand attached great importance to the successful conclusion of the Uruguay Round and insisted on the full implementation of its agreements, which would help stem the tide of unilateralism, bilaterialism and protectionist policies and would offer a foundation for a free and optimum trading system. It was essential for the international trading system to remain open and conducive to the development of the poorer countries, and Thailand therefore hoped that the GATT negotiations would take due account of their specific needs.

34. The mounting problem of external debt, closely related to the issues of trade and finance, was accelerating the depletion of valuable resources in the developing countries. While commendable efforts were being made by the seven major industrialized countries, short-term financial schemes did not provide real remedies: the problem could only be solved through strong and sustained international commitment.

35. Thailand believed in the fundamental necessity of protecting the world's environment and had accordingly implemented important concrete measures to arrest environmental degradation. Concerted international efforts were needed to agree on a comprehensive framework for environmental regulations, covering areas such as the emission and disposal of wastes, the conservation of natural resources and the preservation of the ozone layer. Individual countries should be required to incorporate regional strategies for environmental protection into their development plans. Developed countries had a responsibility to assist developing countries by providing technical and financial assistance, sharing new and environmentally sound technologies and allowing them to integrate environmental costs into their economic and developmental policies. Those were among the vital issues that should be addressed by the forthcoming United Nations conference on environment and development.

36. Mr. RAZALI (Malaysia) said that Malaysia supported the position of the Group of 77, as set forth by the representative of Bolivia. The expansion in the volume of trade and the growth in world output in 1989 had been largely confined to the developed market economies, while growth in many developing countries had become negative. The future scenario of structural imbalances, a large debt overhang and rapid fluctuations in key parameters such as interest and exchange rates and energy and commodity prices would continue to hamper the growth of the world economy, with

(Mr. Razali, Malaysia)

destabilizing consequences. Existing economic imbalances had resulted in distorted financial flows, diverting much needed investment finance away from the developing economies and causing them to be starved of capital. At the same time, the richest nations had been absorbing the greater part of the world's surplus savings and policies to reverse those capital flows were urgently needed. Concerted international action should be taken to create an environment conducive to development efforts by the developing countries.

37. Malaysia believed that sustainable, long-term and growth-oriented solutions should be sought to the problem of external debt. Solutions to the external debt problem should be based on joint responsibility, with the full commitment of debtor and creditor countries and the relevant financial institutions. The developed countries needed to take further steps to reduce external and internal imbalances and to improve the functioning of the international monetary system, in line with the recommendations in the report on debt by the Personal Representative of the Secretary-General.

38. Any strategy to ease the debt burden and achieve higher growth rates necessitated increased export earnings, but the appropriate efforts by developing countries continued to be frustrated by spreading protectionist measures. Malaysia was therefore concerned by the slow pace of negotiations at the Uruguay Round, particularly in the areas of tropical products, agriculture, market access, textiles and clothing. Greater efforts were needed to strengthen the multilateral trading system against managed trade, unilateral retaliation, discriminatory and bilateral trading arrangements and escalatory trade barriers, particularly against the exports of developing countries.

39. The sharp rise in oil prices occasioned by the current Gulf crisis would adversely affect oil-importing developing countries and exert inflationary pressures on the global economy at a time when most third-world economies were already weak.

40. In the area of the environment, the adoption of General Assembly resolution 44/228 had constituted a major milestone in North-South collaboration and placed equal emphasis on environment and development, but unfortunately, there had been little focus on development at the recent session of the Preparatory Committee for the United Nations Conference on Environment and Development. At that meeting, issues of paramount importance to the developing countries, such as the transfer of technology on concessional and preferential terms and the provision of additional financial resources, had posed difficulties for some developed countries that had been parties to the consensus on resolution 44/228. Yet without those prerequisites the developing countries would find it difficult to promote sustainable development. It was therefore to be hoped that those matters would receive proper attention when the Preparatory Committee held its next substantive session.

41. While welcoming current developments in East-West relations, the international community should not lose sight of the plight of developing countries. The changes

(Mr. Razali, Malaysia)

in Eastern Europe were bound to have major repercussions on that region's commercial and financial relations with other countries, particularly as Eastern European countries began to compete with developing countries for Western European markets. Furthermore, increased resource flows to Eastern European countries would inevitably affect the availability of resources to developing countries. While his delegation welcomed the assurances given by the developed countries and international financial institutions that the provision of resources to Eastern Europe would not be at the expense of the developing countries, time alone would prove their validity.

42. The crisis in the international commodity trade had been as damaging to developing countries as the crisis in the international financial system. The sharp decline in real commodity prices during the 1980s had been well documented, and recent trends indicated further decline. However, international efforts to overcome that crisis had reached an impasse, largely as a result of developed consumer countries' reluctance to co-operate in efforts to manage the world economy. The emasculation of the Common Fund for Commodities exemplified the difficulties faced in evolving a rational international commodity policy. The Fund as established was a substantially watered-down version of what had been proposed, particularly in terms of the mechanism's size and authority: its impact had thus been seriously impaired. The prospects for compensatory financing for short-term falls in export earnings from commodities were equally unsatisfactory.

43. The current internationalization of economic, social and political processes was likely to gather additional momentum in the years to come. That prospect offered tremendous opportunities as well as risks, and a restructuring of the global system was essential if the North-South gap was to be narrowed and peace, dignity and security for all ensured. The Declaration of the eighteenth special session of the General Assembly and the new international development strategy offered a positive platform from which to promote growth and development, and his delegation hoped that the issues highlighted recently by the South Commission and the Ministers for Foreign Affairs of the Group of 77 would also receive attention from the Committee.

44. Mr. TEHRANI (Islamic Republic of Iran) said that for years the prevailing international economic order had impeded the efforts of developing countries to sustain reasonable economic growth and development. The widening gap between developed and developing nations had minimized the developing countries' participation in world economic activities, entailing a deterioration of living, educational and health standards in those countries.

45. As commodities provided most developing countries with their sole source of income with which to finance development, the decline in commodity prices since 1982 had hampered the development process. The manipulation of markets by developed countries and the lack of co-operation among developing countries had ruled out the existence of a healthy market, while continued efforts to keep prices low prevented new investment and led to a shortage of supply. That was particularly true in the case of the oil market: for decades, developed countries

(Mr. Tehrani, Islamic Republic of Iran)

had sought to manipulate oil prices to satisfy their own short-term economic interests. The drastic decline in those prices since 1982, except in the two months following the Iraqi invasion of Kuwait, had curtailed new investment that would permit even the maintenance of existing production capacity in oil-exporting countries. In view of the anticipated demand for oil in the 1990s, there was a need for a stable oil market with prices that would stimulate investment in the oil industry and encourage energy conservation policies.

46. While developing countries were exhorted to follow market-oriented policies, developed countries appeared to find protectionist measures legitimate. Protectionist policies should be eliminated so that the developing countries could draw on their comparative advantages and obtain their share of world trade.

47. The eighteenth special session of the General Assembly had offered an unprecedented opportunity to review the economic crisis faced by developing countries and to find ways and means of establishing an equitable and balanced system that would benefit both developed and developing countries. While the Declaration of the session provided a spring-board and framework for a resumption of the North-South dialogue, much remained to be done to implement it. The political commitment of all States in that regard was of vital importance.

48. There was a common perception among Member States that man was the engine and goal of development, but during the 1980s the development of human resources had been neglected as many countries sought primarily to meet the basic needs of their populations. The United Nations system and the developed countries should therefore provide financial and technical support to developing countries' human resource development programmes.

49. The short-term economic consequences of the Persian Gulf crisis should not divert the international community's attention from the need for drastic changes in the current international economic order. Macroeconomic policies should be effectively co-ordinated, particularly among States whose economies had a significant impact on the world economy. Such an effort could help lower international interest rates and stabilize financial markets and exchange rates. Flows of financial resources to developing countries, including official development assistance, should be encouraged and increased.

50. Technological innovations in the communications field had helped to familiarize peoples around the globe with each other's cultures. The overwhelming impact exerted by the developed countries in that area and the expansion of the consumer culture among developing nations had led to a sapping of the scarce resources available for economic development in those nations, slowing the development process. Due attention must therefore be paid to the socio-economic impact of the spread of dominant cultures throughout the third world.

51. Given the transboundary nature of pollution, environmental protection was of importance to the entire international community. The active participation in the preparations for the 1992 United Nations Conference on Environment and Development

(Mr. Tehrani, Islamic Republic of Iran)

demonstrated the international community's readiness to take collective action to that end. However, the developing countries should not be expected to play their part unaided. The revitalization of growth and development in those countries and the transfer of adequate technology and financial assistance to them through the regional economic commissions would facilitate their active participation in the protection and improvement of the global environment.

52. Mr. PASHKEVICH (Byelorussian SSR) said that the Declaration adopted by the General Assembly at its eighteenth special session was a major step towards the establishment of a new kind of international economic co-operation. The consensus views contained in the Declaration should be consolidated in subsequent United Nations documents and reflected in the actions taken by States.

53. From the statements made during the general debate in the Second Committee, a clear picture had emerged of the economic and social difficulties which many countries - and not only the developing countries - were currently experiencing. In the Byelorussian SSR, the difficulties accompanying the transition to a market economy were aggravated by the enormous direct and indirect losses caused by the accident at the Chernobyl nuclear power station in 1986. In absolute figures, the losses amounted to more than 100 billion roubles, which was equivalent to more than eight annual budgets, or to a complete standstill in all economic activity for three years. Radiation had disrupted the ecological balance and had aggravated many existing environmental problems. One fifth of the population of the Republic was compelled to live and work in primary radiation-damage zones, since the Byelorussian SSR was unable to resettle 2.2 million people. The areas of the Republic affected by radioactive contamination were increasing, and radionuclides had been found in people living in all parts of the Republic. The Byelorussian Parliament had declared the entire Republic as an environmental disaster area.

54. The Byelorussian SSR was not optimistic about the possibility of quickly solving all aspects of the Chernobyl crisis. The Republic was doing everything within its means to mitigate the consequences of the nuclear accident, and it recognized that it must rely primarily on its own efforts. Nevertheless, the Byelorussian SSR welcomed the international community's solidarity with the victims of Chernobyl, especially children, and its willingness to assist the Republic in alleviating the effects of the disaster.

55. The Byelorussian SSR was reviewing all of its legislation which governed economic activities. In particular, all forms of property-ownership - State, collective, co-operatively owned and private property, including the property of foreign citizens and firms, and jointly owned property - had equal status before the law. Joint enterprises with foreign investors could have varying shares - including more than 50 per cent - of foreign capital, or could even become wholly owned subsidiaries of foreign partners. The conversion of military production provided additional opportunities for increasing consumer production.

56. The Byelorussian SSR was making concrete efforts to integrate its economy into the world economy through trade, the establishment of joint enterprises and other

(Mr. Pashkevich, Byelorussian SSR)

means. Despite the Republic's solid technical industrial and scientific potential, it was experiencing difficulties in finding access to the world market because of the low competitiveness of many of its products and its lack of experience in marketing and management. It was therefore interested in gaining such experience from market-economy countries. Byelorussia planned to use its foreign exchange earnings to mitigate the consequences of the Chernobyl accident.

57. In July 1990, the Byelorussian Parliament had adopted its Declaration on State Sovereignty. The Declaration provided new opportunities for the full participation of Byelorussia in international affairs, in political, economic, cultural and other forms of co-operation. The Declaration also stated that the Byelorussian SSR would use its freedom and sovereignty to save its people from the consequences of the Chernobyl disaster.

58. The Byelorussian SSR was, of course, sensitive to the concerns of other peoples of the world. In particular, it was prepared to contribute, to the extent possible, to the establishment of effective international co-operation to accelerate the economic and social development of the developing countries, protect the environment, preserve the ozone layer, prevent the spread of the greenhouse effect and solve other global problems.

59. Mr. BANDARA (Sri Lanka) said that the international community must learn from past experience. During the 1980s, living conditions in much of the developing world had deteriorated, to the detriment of stability and economic growth and development. If that situation did not change, the years ahead would be ones of turmoil and tension. Governments, particularly in the South, would find it difficult to respond to the expectations of growing populations of educated young people whose access to the international media allowed them to see the disparities that existed not only within their own socio-economic systems but throughout the world as well. Tension generated by resentment might eventually spill over from the developing world to threaten the world as a whole. In that connection, he drew attention to the recently published report of the South Commission entitled "The Challenge to the South", which very ably analysed the situation in the developing countries and identified the efforts required of both the developing and developed countries to create a more conducive environment for social and economic development.

60. The developed countries had not fully grasped the situation of the developing countries, which were in fact undergoing considerable changes with the expectation of being accommodated in the emerging international socio-economic order. To that end, the revitalization and acceleration of economic growth and development was essential, and it required the financial support of the developed countries and multilateral institutions and increased access to technological know-how. Furthermore, the development of the developing countries' endogenous capacity in the fields of science and technology was crucial to the achievement of economic progress. Intellectual property rights should be reviewed so that they could become a more effective instrument for development.

(Mr. Bandara, Sri Lanka)

61. On the international political scene, tensions between the super-Powers had eased, yet regional conflicts persisted. Unless that phenomenon was arrested, world-wide disarmament would be impossible. Disarmament freed vast amounts of resources that could be used to combat poverty, an objective which should be assigned the highest priority. His own country had launched a programme aimed at giving the poor of Sri Lanka a sense of dignity and pride by providing them with resources to meet their immediate needs and facilitating their entry into productive economic activities. The programme included an education and training component with a view to promoting self-reliance; when concluded, it would have freed nearly half the population from poverty. It was encouraging to note that the programme had obtained both bilateral and multilateral support.

62. The provision of suitable housing for the poor and improved sanitation were essential for steady and sustained economic development. Sri Lanka was endeavouring to provide shelter and the supply of safe drinking water for all by the year 2000. Its efforts to eradicate poverty would also make an important contribution to environmental protection, as poverty was a major cause of environmental damage. The Government planned to develop appropriate environmental policies that would take into account resource sustainability and environmental carrying capacity. All major development projects would be subjected to an environmental impact assessment and would contain specific environmental components. Priority would be given to the prevention of deforestation, soil and coastline erosion, water pollution, etc. Environmental monitoring would be conducted through a network of regional laboratories and research stations. The Government would formulate suitable environmental protection and pollution-control legislation, taking a preventive rather than a curative approach. To co-ordinate and strengthen environment-related activities, an environmental department had been established within the Government.

63. In fact, the entire government apparatus was being restructured with a view to restoring discipline and increasing efficiency and productivity. Sri Lanka expected to double its per capita income in real terms by the end of the 1990s, although unexpected internal and external conditions had created serious problems. As his country adapted itself to a new process of adjustment, it sought the co-operation of the international community.

64. Sri Lanka had been pursuing liberal economic policies since 1977, and had one of the freest economic systems in South Asia. As a small island nation which lacked natural resources, it had long depended on primary commodities such as tea, rubber and coconut for its foreign export earnings. While Sri Lanka had taken steps to diversify its economy, the lack of sufficient outside markets severely curtailed its export earnings.

65. The Government was formulating legislation to promote and develop industries, in particular export industries, inter alia, through the establishment of an Industrialization Commission, which would encourage the development and growth of efficient and internationally competitive industries, facilitate structural changes in the economy and reduce government regulation of industry to a minimum. The new industrial plan also encouraged foreign investment.

(Mr. Bandara, Sri Lanka)

66. Sri Lanka was encouraged by the openness and increasing interdependence among nations, in particular the positive attitude of many developed countries towards the developing countries. However, the greater economic interdependence of nations should not lead to the imposition of particular economic ideologies on developing countries. Adjustment with equity was essential for the maintenance of durable and stable economic development in a new international economic order where rich and poor countries were equal partners in the global adjustment process. In an interdependent world, the rich countries should assist the heavily indebted countries, not only to restore them to economic health but also to strengthen global economic security. Debt-reduction strategies should be far-reaching and should cover all categories of debt and debtor countries.

67. A historic consensus had emerged at the eighteenth special session of the General Assembly and at the recent World Summit for Children. The Ad Hoc Committee of the Whole for the Preparation of the International Development Strategy for the Fourth United Nations Development Decade had reached a similar accord, which provided an excellent opportunity, particularly for the developing countries, to take steps to reverse the adverse trends of the 1980s. That should be done through consultation and compromise rather than confrontation, and the international community should move forward with the aim of creating a better world for future generations.

68. Mr. MOHIUDDIN (Bangladesh) said that the consequences of the crisis in the Persian Gulf would be catastrophic for the developing countries, particularly for the fragile economies of the least developed among them. Bangladesh had been seriously affected by the crisis, and the cost of repatriating more than 100,000 workers from the Gulf, the loss of remittances, decreased export earnings, higher prices of petroleum products and the loss of commitments of funds for imports and development projects from Kuwait alone amounted to over $US 590 million. A prolongation of the crisis would add another $US 278 million to that figure in 1990-1991 alone. The international community, including the entire United Nations system, should provide co-ordinated assistance to the countries unable to cope with the economic and social consequences of the crisis.

69. Bangladesh was particularly concerned at the overall economic situation in the developing countries and the lopsided nature of recent global growth trends. During the traumatic years of the 1980s, the majority of the developing countries in Asia, Africa and Latin America had remained deeply mired in a protracted and serious development crisis. An overwhelmingly large proportion of their population faced increased unemployment, poverty, disease, hunger and other deprivations. The great scientific and technological advances of the last few decades had largely bypassed most developing countries. The unabated development crisis in the least developed countries, where the cycle of poverty and underdevelopment threatened to undermine stability and development prospects, was still more disturbing.

70. In order to reverse that unacceptable situation, the developing countries must undertake serious and effective national efforts. At the same time, concerted international action was also required. In particular, the international community

(Mr. Mohiuddin, Bangladesh)

must agree to increase the flow of development resources to the developing countries in order to trigger the process of growth and development.

71. The magnitude of the problem of external indebtedness in the developing countries required a comprehensive and decisive approach. The ongoing efforts by official and private creditors to address the debt problem should be broadened and intensified, and all multilateral financial institutions must play their due role in that process.

72. In the reactivation of the growth and development of developing countries, trade issues remained a matter of utmost importance. The declared commitment of the developed countries to achieve substantial progress during the Uruguay Round of multilateral trade negotiations was very encouraging. However, in order to be universally acceptable, the outcome of the Round must take account of the interests and concerns of the economically weaker developing countries. So far, the negotiations had not lived up to that expectation. Bangladesh hoped that, during the concluding phase of the Round, every effort would be made to achieve a balanced outcome which would benefit all countries. Effective steps must be taken to protect developing countries from the volatility of commodity prices and to provide compensation for their chronic shortfalls in export earnings.

73. Systematic and institutionalized co-ordination of the global economy through greater coherence in national and international policies and strategies was urgently needed. The outcome of the eighteenth special session of the General Assembly and the negotiations on a new international development strategy had greatly enhanced the prospects for such co-ordination. The Second United Nations Conference on the Least Developed Countries had adopted a new Programme of Action to promote national and international measures to reactivate growth and development in the least developed countries. The international community had also pledged to help the least developed countries in all critical areas where external assistance was required. Bangladesh hoped that its development partners would not be distracted by the Gulf crisis, or by changes taking place elsewhere, from the commitments which they had undertaken at the Conference.

The meeting rose at 7.10 p.m.